

# QUIZ — PRINCIPLES

Select the statement that best answers the question or completes the statement.

1. The principle that assures that Social Security will have sufficient income to pay future benefits is:
  - A. The program is compulsory and can count on future income from taxes.
  - B. The program pays benefits when needed.
  - C. The program limits individual choice.
  - D. Social Security is for everybody.

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2. Five basic principles that determine how the program works are:
  - A. Social Security is free, for everybody, fair, mainstream, voluntary.
  - B. The program is regressive, work-related, for old people, for the future.
  - C. The program has no needs test, benefits are work-related, participation is compulsory, benefits are weighted in favor of low-income, contributory.
  - D. All of the above.

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3. A basic principle that makes Social Security different from private insurance is:
  - A. The program is compulsory (everybody must participate).
  - B. Benefits are weighted in favor of low-income workers.
  - C. Benefits are based on work.
  - D. All of the above.

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4. It is generally felt that Social Security would not work as a strictly voluntary program because:
  - A. Only poor people would pay the premiums so that they could collect benefits.
  - B. Only rich people would pay the premiums so that they could collect benefits.
  - C. Many people would not participate and would fail to provide protection through other means.
  - D. None of the above.

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5. The primary difference in purpose between a social insurance program like Social Security, which pays benefits if you meet the conditions in the law regardless of need, and a public assistance program like SSI, which has a test of need, is:
  - A. SSI is designed to help people in need; Social Security is designed to help prevent need.
  - B. Social Security is for old people; SSI is for aged, blind, and disabled people.
  - C. Social Security pays lower benefits.
  - D. All of the above.

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6. By “individual equity” we refer to:
- A. The fact that an individual gets a reasonable return on his investment in Social Security.
  - B. The fact that an individual can count on Social Security.
  - C. The individual’s right to benefits as a matter of law.
  - D. The individual’s choice between Social Security and SSI.
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7. Two advantages of the work-related principle of Social Security are:
- A. Social Security pays benefits to young people also; everybody must pay taxes.
  - B. Tax amounts are based on earnings; benefit amounts are based on earnings.
  - C. You must work to earn benefits; you must apply to get them.
  - D. None of the above.
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8. The goal of social adequacy means that:
- A. Benefits are weighted in favor of low wage earners.
  - B. Increased benefits are paid to workers with families.
  - C. Benefits are paid to workers with high earnings.
  - D. A & B above.
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9. The fact that almost all Americans who are employed must participate in Social Security whether they want to or not means that it is:
- A. Compulsory
  - B. Contributory
  - C. Work-related
  - D. Weighted benefits
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10. The main source of income for Social Security is:
- A. The taxes from employees, employers, and the self-employed
  - B. General revenues
  - C. Special trust funds
  - D. All of the above

